

Limited Review Report

**Review Report to
The Board of Directors
IndoStar Capital Finance Limited**

1. We have reviewed the accompanying statement of unaudited consolidated Ind AS financial results of IndoStar Group comprising IndoStar Capital Finance Limited (the "Company") and its subsidiaries (together referred to as 'the Group'), for the quarter and six months ended September 30, 2018 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulation"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (the "Circular").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We have not audited or reviewed the amounts appearing in the accompanying statement for the corresponding quarter and six months ended September 30, 2017, which have been presented solely based on the information compiled by the management and has been approved by the Board of Directors.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants

ICAI Firm registration number: 301003E/E300005

Shrawan

per Shrawan Jalan
Partner

Membership No.: 102102
Mumbai

31 October 2018



STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

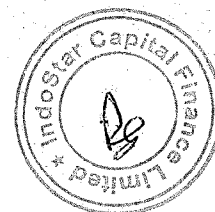
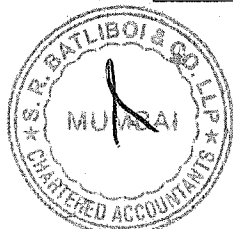
(INR in Lakhs)

Sr. No.	Particulars	Quarter ended			Six months ended	
		30 September 2018	30 June 2018	30 September 2017	30 September 2018	30 September 2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	Revenue from operations					
(i)	Interest income	27,861	22,339	19,703	50,200	37,832
(ii)	Fees income	3,358	565	27	3,923	64
(iii)	Net gain/(loss) on fair value changes	757	(391)	219	366	399
(I)	Total revenue from operations	31,976	22,513	19,949	54,489	38,295
(II)	Other income	-	-	-	-	6
(III)	Total income (I+II)	31,976	22,513	19,949	54,489	38,301
	Expenses					
(i)	Finance costs	14,038	11,193	7,402	25,230	15,065
(ii)	Employee benefits expense	4,564	3,233	2,392	7,797	4,824
(iii)	Depreciation and amortisation expense	430	404	74	834	143
(iv)	Other expenses	1,922	1,772	596	3,694	1,071
(v)	Impairment on financial instruments	1,106	768	(1,192)	1,875	(1,357)
(IV)	Total expenses	22,060	17,370	9,272	39,430	19,746
(V)	Profit before tax (III-IV)	9,916	5,143	10,677	15,059	18,555
	Provision for taxation					
	Current tax	3,432	2,918	3,115	6,350	6,050
	Deferred tax	86	(923)	617	(837)	454
(VI)	Tax expenses	3,518	1,995	3,732	5,513	6,504
(VII)	Profit after tax (V-VI)	6,398	3,148	6,945	9,546	12,051
(VIII)	Other comprehensive income, net of tax					
	(a) Items that will not be reclassified to profit or loss	1	4	(4)	5	(8)
	(b) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of tax	1	4	(4)	5	(8)
(IX)	Total comprehensive income (VII+VIII)	6,399	3,152	6,941	9,551	12,043
(X)	Paid up equity share capital (Face value of INR 10/- each)	9,224	9,220	7,868	9,224	7,868
(XI)	Earnings per share (not annualised)					
	Basic (INR)	7.15	3.62	8.84	10.77	15.33
	Diluted (INR)	6.36	3.27	7.97	9.63	13.82

Notes

- The financial results of the Company have been prepared in accordance with the Indian Accounting Standard ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017. This transition has been carried out from the erstwhile Accounting Standard notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI"), the National Housing Bank ("NHB") and generally accepted accounting principles in India (collectively referred to as "Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserve as at 1 April 2017 and the corresponding figures presented in these results have been restated/reclassified.
- There is a possibility that these financial results for the current and previous periods may require adjustments due to changes in financial reporting requirements arising from new standards, modifications to the existing standards, guidelines issued by the Ministry of Company Affairs, the NHB and the RBI or changes in the use of one or more optional exemptions from full retrospective applications of certain Ind AS permitted under Ind AS-101 which may arise upon finalisation of the financial statements as at and for the year ending 31 March 2019 prepared under Ind AS.
- As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the Securities and Exchange Board of India ("SEBI"), the Company has opted to avail exemption for submission of Ind AS compliant financial results and statement of assets and liabilities for the previous year ended 31 March 2018. Further, the consolidated financial results for the quarter and six months ended 30 September 2017 have not been subjected to limited review/audit. However, the management has exercised necessary due diligence to ensure that the consolidated financial results for the quarter and six months ended 30 September 2017 provide a true and fair view of the Company's affairs.
- The consolidated financial results of IndoStar Capital Finance Limited ("ICFL" or "the Company") for the quarter and six months ended 30 September 2018 have been reviewed by the Audit Committee and subsequently approved at the meeting of the Board of Directors held on 31 October 2018. The consolidated financial results have been subjected to a limited review, by the Statutory Auditors of the Company, as indicated above.
- As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures under the Previous GAAP and Ind AS is as under:

Particulars	(INR in Lakhs)	
	Quarter ended	Six months ended
	30 September 2017	30 September 2017
	Unaudited	Unaudited
Net profit after tax under Previous GAAP	5,703	11,044
Ind AS adjustments resulting in increase/(decrease) in net profit after tax under the Previous GAAP :		
Expected credit Loss provision	2,073	2,345
Effective interest rate on financial assets and liabilities (net)	395	511
ESOP fair value charge	(583)	(1,328)
Others	12	11
Tax effect on above adjustments	(654)	(532)
Net profit after tax as per Ind AS	6,945	12,051
Other comprehensive income, net of tax	4	8
Total comprehensive income	6,941	12,043



Particulars	(INR in Lakhs)	
	As at 30 September 2018	
	Unaudited	
I. ASSETS		
Cash and cash equivalents		44,587
Bank balances other than cash and cash equivalents		6,322
Receivables		
Trade receivables		159
Loans		7,69,283
Investments		49,811
Other financial assets		11,274
		8,81,436
Non-financial assets		
Non-current tax assets (net)		740
Deferred tax assets (net)		10,625
Property, plant and equipment		6,890
Intangible assets		350
Capital work-in-progress		35
Other non-financial assets		2,699
		21,339
TOTAL ASSETS		9,02,775
II. LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Trade payables		
(i) total outstanding to micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small		475
Debt securities		2,55,550
Borrowings (other than debt securities)		3,24,767
Other financial liabilities		30,244
		6,11,036
Non-financial liabilities		
Provisions		280
Other non-financial liabilities		464
		744
Equity		
Equity share capital		9,224
Other equity		2,81,771
Total equity		2,90,995
TOTAL EQUITY AND LIABILITIES		9,02,775

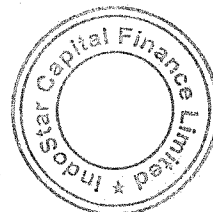
- 6 The Company has opted to publish extract of consolidated unaudited financial results, pursuant to option made available as per the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular dated 5 July 2016. The standalone financial results are available on the website of the Company at www.indostarcapital.com and on the websites of the BSE Ltd. at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com.

The key information of the standalone unaudited financial results of the Company for the quarter and six months ended 30 September 2018 and quarter ended 30 September 2017 are given below:

Particulars	(INR in Lakhs)		
	Quarter ended	Six months ended	Quarter ended
	30 September 2018	30 September 2018	30 September 2017
	Unaudited	Unaudited	Unaudited
Revenue from operations (including other income)	31,347	53,508	19,916
Profit before tax	10,584	16,330	10,839
Profit after tax	7,089	10,873	7,106

- 7 The Company is primarily engaged in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating segment.
- 8 The Company during the quarter ended 30 September 2018 has allotted 40,500 equity shares of INR 10/- each, fully paid up on exercise of stock options by eligible employees under various Employees Stock Options Plan(s).
- 9 The Board of Directors of the Company at their meeting held on 31 October 2018 adopted a Dividend Distribution Policy and pursuant to that declared an Interim Dividend at the rate of 10% i.e. INR 1/- per equity share of the face value of INR 10/- each, for financial year 2018-19 and fixed the Record Date for the purpose of determining the entitlement of shareholders for the Interim Dividend as Wednesday, 14 November 2018. The Dividend Distribution Policy of the Company is available on the website of the Company at www.indostarcapital.com.
- 10 The Secured Listed Non-Convertible Debentures of the Company as on 30 September 2018 are secured by first pari-passu charge on a freehold land owned by the Company and first pari-passu charge by way of hypothecation, over standard present and future receivables. The total asset cover required thereof has been maintained as per the terms and conditions stated in the respective Debenture Trust Deeds.
- 11 Figures for the previous periods have been regrouped and / or reclassified wherever considered necessary to conform to current period presentation.

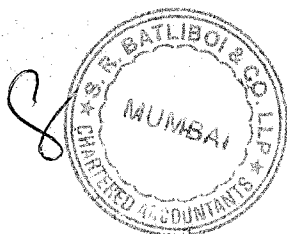
Place: Mumbai
Date: 31 October 2018



For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited

R. L. LAL

R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136697



INDOSTAR CAPITAL FINANCE LIMITED

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EXTRACT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2018

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended	Six months ended	Quarter ended
		30 September 2018	30 September 2018	30 September 2017
		Unaudited	Unaudited	Unaudited
1	Revenue from operations (including other income)	31,976	54,489	19,949
2	Profit before tax	9,916	15,059	10,677
3	Profit after tax	6,398	9,546	6,945
4	Total comprehensive Income (Comprising profit after tax for the period and other comprehensive income after tax)	6,399	9,551	6,941
5	Paid up equity share capital (Face value of INR 10/- each)	9,224	9,224	7,868
6	Earnings per share (not annualised)			
	Basic (INR)	7.15	10.77	8.84
	Diluted (INR)	6.36	9.63	7.97

- a. The Company has opted to publish extract of consolidated unaudited financial results, pursuant to option made available as per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities and Exchange Board of India ("SEBI") circular dated 5 July 2016. The full format of the standalone financial results and consolidated financial results are available on the website of the Company at www.indostarcapital.com and on the websites of the BSE Ltd. at www.bseindia.com and the National Stock Exchange of India Ltd. at www.nseindia.com.

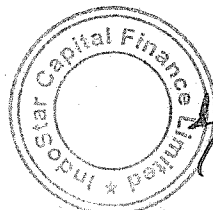
The key information of the standalone unaudited financial results of the Company for the quarter and six months ended 30 September 2018 and quarter ended 30 September 2017 are given below:

(INR in Lakhs)

Sr. No.	Particulars	Quarter ended	Six months ended	Quarter ended
		30 September 2018	30 September 2018	30 September 2017
		Unaudited	Unaudited	Unaudited
1	Revenue from operations (including other income)	31,347	53,508	19,916
2	Profit before tax	10,584	16,330	10,839
3	Profit after tax	7,089	10,873	7,106

- b. The financial results of the Company have been prepared in accordance the Indian Accounting Standard ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time. The Company has adopted Ind AS from 1 April 2018 with effective transition date of 1 April 2017. This transition has been carried out from the erstwhile Accounting Standard notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ("RBI"), the National Housing Bank ("NHB") and generally accepted accounting principles in India (collectively referred to as "Previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserve as at 1 April 2017 and the corresponding figures presented in these results have been restated/reclassified.
- c. As permitted under circular no. CIR/CFD/FAC/62/2016 dated 5 July 2016 issued by the SEBI, the Company has opted to avail exemption for submission of Ind AS compliant financial results and statement of assets and liabilities for the previous year ended 31 March 2018. Further, the consolidated financial results for the quarter and six months ended 30 September 2017 have not been subjected to limited review/audit. However, the management has exercised necessary due diligence to ensure that the consolidated financial results for the quarter and six months ended 30 September 2017 provide a true and fair view of the Company's affairs.
- d. The Board of Directors of the Company at their meeting held on 31 October 2018 adopted a Dividend Distribution Policy and pursuant to that declared an Interim Dividend at the rate of 10% i.e. INR 1/- per equity share of the face value of INR 10/- each, for financial year 2018-19 and fixed the Record Date for the purpose of determining the entitlement of shareholders for the Interim Dividend as Wednesday, 14 November 2018. The Dividend Distribution Policy of the Company is available on the website of the Company at www.indostarcapital.com.
- e. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 31 October 2018 and subjected to Limited Review, by the Statutory Auditors of the Company, as indicated above.

For and on behalf of the Board of Directors of
IndoStar Capital Finance Limited



R. Sridhar
Executive Vice-Chairman & CEO
DIN: 00136697

Place: Mumbai
Date: 31 October 2018